

# **Looking Out**

## **For Your Legal Rights**

■ August 1994

### **New Jersey's Legal Rights Newsletter**

### **Published by Legal Services of New Jersey**

Volume 13, Number 8

#### **■ In This Issue:**

**The Struggle for  
Decent Public Housing  
in Newark, New Jersey**

### **The Struggle for Decent Public Housing In Newark, New Jersey**

In May 1987, the Newark Housing Authority demolished its first high-rise building in Newark at Scudder Homes. By November 1987, it had demolished three more at Scudder, and planned to tear down or sell all 39 high-rise buildings in Newark. In response, the Newark Coalition For Low Income Housing was formed. Its purpose was to save public housing. Since 1987, the Coalition has been working to secure decent housing in Newark. This is the story of that struggle—a story of how tenants and community groups working together with attorneys can “fight City Hall” and achieve better housing.

#### **The NHA**

The Newark Housing Authority (NHA) is the largest public housing authority in the state, and at one time owned and operated over 13,000 units, or roughly 2 1/2 percent of Newark's housing. It has long been marked by HUD as a “troubled” housing authority, and in the early '70s was subjected to a four-year city-wide rent strike—the longest rent strike in public housing history. Over the years, conditions got worse and vacancies soared. In 1978, there were 587 vacancies; nine years later there were 5,547, a

*Continued on page 2*

### About Looking Out

Looking Out For Your Legal Rights is published 10 times a year by Legal Services of New Jersey. If you are a Legal Services client, you can pick up a copy at your local Legal Services office.

### Subscriptions

Subscriptions are \$8.00 a year (see order form on page 11).

### Back Issues

Back issues, when available, are \$1.00 each.

### Change of Address

If you are moving, please send us a copy of your most recent *Looking Out* mailing label with your new address.

### Comments

If you have any suggestions or comments about *Looking Out*, we would like to hear from you. Please send all correspondence to:

Editor, *Looking Out*  
Legal Services of New Jersey  
P.O. Box 1357  
Edison, NJ 08818-1357

This newsletter is for general information only. If you have a legal problem, you should see a lawyer.



### Photo credits:

Page 2: The Star Ledger  
Pages 5, 6, 9: Harris David  
Page 8: Becky Thorne  
Page 10: Steve Finn  
Page 11: Susanne Cordyack

A portion of the cost of this publication was supported by funds provided by the IOLTA Fund of the Bar of New Jersey.

©1994 Legal Services of  
New Jersey

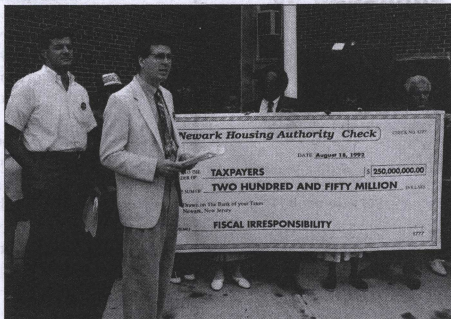
## Continued from page 1

rise of 945 percent. The vacancy rate (43 percent) was the highest of any large housing authority in the country. In this setting, the NHA determined to demolish or sell all of its high-rise housing.

The NHA tore down 817 units at Scudder Homes in 1987, received approval to tear down 372 units at Kretchmer Homes, and applied to HUD to tear down 10 buildings at Hayes Homes. It received approval in 1988 to tear down 1,506 units at Columbus Homes.

### The Newark Coalition for Low Income Housing

The Newark Coalition for Low Income Housing (hereafter Coalition) is a coalition of community groups and individuals, tenants, applicants on the waiting list, and homeless people. There are eight tenants on the board of trustees from five housing projects in Newark, including Hayes Homes and Kretchmer Homes, two projects which the NHA is currently seeking to severely reduce, and the townhouses. The president of the Kretchmer Homes Tenants Association sits on the board, and tenants share in the chairing of board meetings. The Coalition's staff is made up of an executive director and two community



Vic Deluca, Chairperson of the Newark Coalition for Low Income Housing, and Steve Finn, Executive Director, hold a mock check from the NHA for \$250,000,000 as a symbol of the NHA's having wasted funds by not constructing housing. This waste included \$1,000,000 spent to house families in welfare motels.

organizers who work with tenants at the various public housing sites.

As part of its fight for decent housing, the Coalition has been suing the Newark Housing Authority and HUD for the past six and a half years over the demolition and replacement of public housing, the obligation of the NHA to repair and have vacancies occupied, and other issues. The Coalition monitors and enforces the NHA's compliance with the settlement and court orders of the lawsuit through its HOME (Housing Opportunity, Monitoring and Enforcement) Project. In addition, there is a public housing tenant organizing project to empower residents to build strong and effective tenant associations which can advocate for their needs and enable them to participate in decision-making in NHA operations.

The Coalition publishes a newsletter for tenants; has held workshops on tenants' rights; holds an annual tenants' organizing breakfast with speakers, workshops, and awards; and publicizes the lawsuit and public housing issues in the news media. This effort has been successful—the struggle for decent housing in Newark is a nationally known story; there have been two front-page articles in the *New York Times*, and extensive television coverage.

### **The Lawsuit**

Federal law requires that there be one-for-one replacement of demolished public housing units. It requires a construction schedule with housing to be built within six years of demolition, and that the land for the housing be specified. HUD must approve a replacement plan before it approves demolition.

HUD approved an NHA plan to tear down 1,506 units at Columbus Homes. The plan was defective. The Coalition determined that there was no valid plan for one-for-one replacement of those units as required by federal law. The Coalition feared that the NHA would tear down Columbus Homes, but not build the replacement housing. This is what happened at Scudder Homes before the one-for-one law became effective: 817 units were demolished, there were only a small number of replacement housing units, and the NHA replacement housing that was started was never finished—it eventually blew over in a windstorm.

In March 1989, the Newark Coalition for Low Income Housing, classes of tenants at the Columbus and Kretchmer Homes, and a class of persons on the NHA's waiting list, including homeless families, sued the NHA and the United States Department of Housing and Urban Development (HUD) in the United States District Court. The suit asked the court to stop the demolition of Columbus and Kretchmer Homes, unless there was a valid plan for one-for-one replacement. The suit also sought to force the NHA to rent thousands of vacancies. It cited the desperate need for public housing in Newark for thousands of families on the NHA waiting list, including 15,000 families living in substandard conditions at high, unaffordable rents in the private market, and of homeless families living in the Lincoln and Carlton Motels in Newark at a high cost to taxpayers.

## **The Settlement—Victory at the Negotiating Table**

After the lawsuit was filed, the parties negotiated under the supervision of a court-appointed mediator, and in September 1989, a settlement was reached. Judge Dickinson Debevoise of the United States District Court approved the settlement which became a court order. The settlement was a substantial victory for low-income people. The following are the highlights of the order:

- The order secures a valid plan of replacement housing for Columbus Homes. It covers the construction of 1,777 units—the largest public housing construction plan (approximately \$200,000,000) in the country.
- The order provided for the “phased demolition” of Columbus Homes. The demolition would occur in stages, and before each stage, the NHA had to make progress in construction. For example, before the first four buildings could be torn down, the NHA had to start construction of 465 units of housing.
- The court ordered a schedule for construction which set deadlines when various steps in the development process had to be met.
- The NHA was ordered to hire a construction manager to supervise and manage the construction of the replacement housing.
- Once Columbus Homes is completely demolished, new public housing townhouses are to be built on the Columbus Homes site. This was an important success because Columbus Homes is very accessible to transportation and downtown

Newark.

- The NHA had to begin a Vacancy Repair Program (VRP). The VRP required the NHA to:
  - reduce vacancies by 1,632;
  - rent 40 percent of those vacancies to families on the waiting list;
  - continue to rent new vacancies as they occurred.

HUD agreed to provide \$1,800,000 for the rental of vacancies.

- The Settlement also required the NHA to:
  - lower the age for admission to public housing to 55;
  - encourage tenant participation in the management and operation of public housing in Newark;
  - develop a plan to reduce racial and ethnic imbalance in public housing.

Judge Debevoise retained control of the lawsuit, so that parties could seek to enforce the court order if its terms were not carried out.

## **HUD and the NHA Violate the Court Order and Fail to Act in Response to the Coalition's Complaints**

Within a year after the settlement, it became apparent that the NHA was in substantial violation of the court order. Not one of the replacement housing units had been built. Vacancies were increasing and the NHA had terminated the Vacancy Repair Program. Throughout 1991, the Coalition brought these matters to the attention of HUD, and requested immediate HUD action to take corrective measures to force the NHA to

comply with the Settlement Agreement. HUD brushed aside these complaints, and did not help. It told the Coalition that if there were violations of the Settlement Agreement, that it should go to court.

### **The Application to HUD for a Receiver for the Construction of the Replacement Housing**

When efforts to obtain HUD corrective action failed, the Coalition, on December 24, 1991, formally requested HUD to appoint a receiver for the construction of the 1,777 townhouses. The application documented extensive and needless construction delays, and major violations of the construction schedule approved by the court. The Coalition raised substantial questions as to the qualifications of the developers selected, and pointed out violations of the federal bidding statutes. They documented an extraordinarily poor construction track record (including prior shoddy townhouse construction), and pointed out past allegations of corruption and missing funds, and the general overall incompetence of the NHA. In addition, the executive director of the NHA had been removed, top staff had resigned, and the NHA was in total disarray.

In February 1992, HUD denied the receiver. It established a task force to help get the construction of the new housing going. The task force was made up of the Regional and Area Offices of HUD, the Mayor of Newark, and the Department of Development of the City of Newark, the NHA, and the New Jersey Housing and Mortgage Finance Company (HMFA), which agreed to provide financing to developers and to monitor construction.

### **The Motion to Enforce the Settlement Agreement**

Despite the appointment of the task force, there was no housing construction. Other violations of the court order continued. As a result, in August 1992, plaintiffs filed an extensive motion to enforce the court order. With respect to the new construction, the motion asked for:

- A receiver to oversee and carry out the construction of the townhouses which were to replace Columbus Homes, or ...
- The appointment of a judicial master to monitor the development and construction process.
- The adoption of new construction schedules, with sanctions, if the new schedules were not met, including the appointment of a receiver.
- An expert, independent evaluation of the qualifications and plans of the three developers already selected by the NHA.



**Demolition at Columbus Homes:**  
Four buildings still stand and cannot be demolished until the NHA makes further progress on the construction of new townhouses.

- An increase in funding to \$23,000,000 for five construction projects. (The prior funding of these projects had been reduced due to inflation.)
- A new construction manager for projects for which no manager had been selected.

With respect to the Vacancy Repair Program (VRP), the motion cited eight violations of the order, including that the NHA had failed to reduce vacancies by 1,632, and that new vacancies were not re-rented and were allowed to deteriorate.

With respect to the VRP, the Coalition's motion asked the court:

- to reinstate the Vacancy Repair Program, which the NHA had terminated;
- to appoint a receiver to repair and rent vacant units; or
- to appoint a judicial master to monitor the vacancy repair program.

The NHA must repair conditions in apartments as directed in the HUD

Quality Standards (HQS).

The Coalition's motions also sought:

- the establishment of a transitional housing plan to provide housing for homeless families.
- the establishment of a Tenant Selection and Assignment Plan to reduce racial segregation in Newark Public Housing, and to obtain fair admission and transfer procedures.

### **The Coalition Serves the Court Papers**

When legal papers are filed with the court, the other side must be notified of the legal procedure, and "served" with all papers filed in the court. The Coalition has made it a practice to personally serve papers on HUD and the NHA, and to at the same time hold press events. It first served HUD, in the presence of television cameras, with boxes containing the application to HUD to appoint a receiver for the construction of replacement housing.

Again, when the Coalition moved to enforce the Settlement Agreement in the United States District Court, it personally delivered boxes of legal papers to the NHA, and to the NHA attorneys. At the same time, the Coalition held a press conference explaining the legal action, and presented a mock check of \$200,000,000 from the NHA to the taxpayers, symbolizing the amount of taxpayer money that the NHA had wasted by not building a single new apartment since the first demolition of public housing in 1987. See photograph on page 2. This amount included \$100,000,000 spent to house families in welfare motels.



**Demolished homes: People lived here for years and called it home.**

### **The Court Hearings**

Since filing the motion to enforce the court order, there have been 18 court

hearings. The Coalition's legal effort has achieved tremendous success in putting pressure on HUD and the NHA to comply with the original court order. The highlights of the hearings are as follows:

- The court found the NHA in contempt of court for violating the court-ordered construction schedule.
- The court laid the blame for housing authority failures at HUD's doorstep. The court stated that HUD was an organization which has *"failed miserably."*
- The court cited HUD for contempt of court because HUD had approved NHA extensions of construction steps beyond the deadlines in the court-ordered construction schedule.
- The court ordered new construction schedules and threatened that if the schedules were not met, it would appoint a receiver for the development of housing. In its order, the court stated that: "(t)here has been a serious failure on the part of the NHA to perform in a timely manner its obligations under the Settlement Agreement," and that HUD "did not secure from its grantee, NHA, timely performance of the Settlement Agreement."
- The court asked HUD to notify the court if the NHA violated the court-ordered construction schedule, and to specify the steps that HUD would take to bring the NHA into compliance with the court order.
- The court ordered an evaluation of the qualifications of one of the developers selected by the NHA.
- The parties negotiated, and the court ordered a vacancy reduction

order which required that the NHA reduce vacancies by 1,158 in one year, and at the same time rent units that would become vacant. By the end of the year, the NHA had to rent units within 30 days after a vacancy occurred.

- The NHA violated this order, and from January 1, 1993, through May 31, 1994, vacancies actually *increased by 117*. The NHA also has been unable to repair and re-rent units that have become vacant due to move-outs and evictions.
- The NHA was ordered to file monthly reports on vacancies and rentals, and worked with the Coalition to develop detailed reporting forms. These forms enable the Coalition to identify every vacancy in the NHA.
- The court found the NHA in contempt of court for violating the vacancy reduction order, and appointed a special judicial master to develop a report and work on the vacancy crisis.
- The court ordered the NHA to develop two new vacancy reduction plans.
- The court ordered the NHA to hire a construction manager to supervise the new vacancy reduction program.
- The court has stated that unless the NHA has a substantial reduction in vacancies by September 21, 1994, the court will appoint an outside authority to take over the vacancy reduction program.



**Buildings at Kretchmer Homes which the NCLIH and the Kretchmer Homes Tenants Association are fighting to save.**

### **New Housing and the Demolition of Columbus Homes**

As a result of court pressure and the enforcement proceedings, new housing has been built. As of this date, the NHA has started constructing five new housing projects, totaling 659 units—173 units have been completed and are occupied. More qualified developers are bidding on projects and are being selected.

At the same time that new housing is being built, old housing is being destroyed. Having started 465 units of replacement housing, the NHA had the right to demolish four high-rise buildings, and this occurred on March 6, 1994.

### **Other Relief In Court**

In addition, the court approved a tenant selection and assignment plan (TSAP). Among the many features of this plan are the following:

- A lottery system for the new townhouses will be developed.
- Twenty-seven percent (478) of the new townhouses will go to applicants on the waiting list.

- The NHA is to operate the housing without racial or ethnic discrimination.
- A waiting list for transfers will be established. Each tenant is to receive notice of the opportunity to apply for a transfer.
- All units rented are to be repaired in accordance with HUD Quality Standards, and those moving into an apartment have the right to sign off on an HQS inspection form.
- A complaint procedure will be developed for persons with complaints about the TSAP.
- If a person inquires where she or he stands on the waiting list, the NHA must tell the person when she or he might expect housing.
- Before a person is removed from the waiting list, the NHA must make an effort by phone and mail to contact that person. In addition, the NHA must publish a list of those removed in the newspapers and reinstate those who respond to the newspaper advertisements.
- All notices must be in English and Spanish, and bilingual assistance must be provided for Spanish-speaking applicants and tenants.
- Each tenant will be given a copy of the TSAP.

Unfortunately, the success in the construction and TSAP areas has not been matched with success in the vacancy area. The NHA has shown itself incapable of repairing and occupying units in a timely manner. Despite the pressure of the federal court, vacancies have been increasing, and there is a possibility that a receiver for the repair and occupancy

of long-term vacancies and units that have been recently vacated will have to be appointed.

### 11 The NHA Plan to Close Three Projects and Tenant Opposition

The NHA has announced a plan to close down three high-rise projects—Hayes, Scudder, and Kretchmer Homes. This will eliminate at least 831 units of housing. The NHA is starting to carry out this plan, by transferring tenants from the projects, and then not moving anyone into the vacated units. Also, the NHA is not providing sufficient services, and the tenants state that the NHA is simply letting the project run down to encourage tenants to leave. A HUD report on the three projects found that “NHA is not even providing minimal services” at Hayes, Scudder, and Kretchmer. This is known as *de facto* demolition, and it is against the law.

Despite the fact that there are problems at the projects, the tenants want them saved. As of this date, 118 tenants have signed a petition stating: “*We want to save Hayes Homes.*”

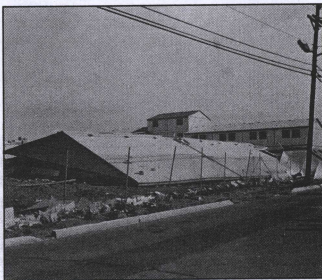
Hayes is *home* to the tenants, many of whom have lived there a substantial number of years. There are currently over 200 families in Hayes, and if the NHA rented units up to the 6th floor, and filled all vacant units on occupied floors as it promised to do, they would house approximately 450 families.

Many tenants have expressed positive feelings about Hayes, and like to live there. They cite these positive aspects. Hayes, like much of public housing, is located on valuable, well-located land. Located on bus lines, it is easily accessi-

ble to downtown Newark, Irvington, and the suburbs. It is located within easy access to a supermarket, the New Jersey College of Medicine and Dentistry Hospital, and a new movie theater. The neighborhood is stabilizing; a contract has been signed for a new post office to be constructed nearby, and there are hundreds of units of recently constructed market rate housing nearby—Society Hill built by Hovnanian.

In addition to the location, tenants note that the buildings are solid, and the units are fireproof. The rooms in Hayes units are large, larger than in any other public housing project, and larger than those in the new townhouses that are being constructed. This size of the rooms is one reason why tenants do not want to transfer to other public housing projects in the NHA.

With the exception of the elevators which are a problem, the building systems are in good working order. The NHA installed a new boiler in the past year, and there is good heat and hot



**Collapsed housing at the old Scudder Homes site. Because of the efforts of the NCLIH, this will never happen again, and quality housing is being constructed.**

water. The tenants report no major problems with the electricity or plumbing. The buildings are generally dry.

The problems with security and drug abuse vary from building to building. In some places it is severe; in others not as bad. It is a sad thing to say, but tenants say that they know their community, and would rather stay in a place where they are known, and where they know the criminal element, than to transfer to a place where they are unknown.

In short, Hayes Homes, while not perfect, and while not ideal, is liveable. With adequate security, better management, and better maintenance, it would be even more liveable.

Hayes tenants state that there is a tremendous need for housing in the community, and that families will move into Hayes. Seventy-two tenants have signed certifications which state, "If a tenant transfers out of Hayes Homes, someone from the waiting list should be put into that unit. There are many families in Newark who need housing, and who

would move into Hayes Homes." As one tenant, the vice president of the Hayes Homes Tenants' Association, who has worked with homeless families, has stated: "People are willing to go anywhere—they want public housing—all they want is a place to stay, a place to cook, a place to give their kids a bath."

Similarly, at Kretchmer Homes, the Kretchmer Homes Tenants' Association and tenants have also signed petitions stating that they want to save Kretchmer Homes. The Association wants the buildings fixed up and families moved in. Like the tenants at Hayes, they feel that the buildings could be fixed up to provide decent housing, and they fault the NHA for poor maintenance.

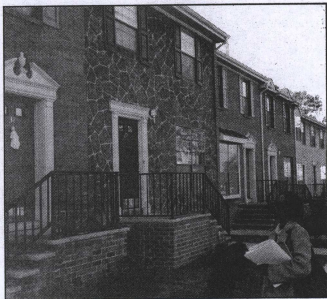
The Kretchmer Homes Tenants' Association also is fighting to save three buildings at Kretchmer which the NHA has received permission to demolish. Experts have stated that these buildings could be rehabilitated to provide decent housing, and the tenants are trying to develop plans.

### **The Coalition Asks HUD to Intervene**

Recently, the Newark Coalition For Low Income Housing journeyed to Washington to meet with HUD officials. The purpose was to save the three high-rise projects, and to stop the NHA's plan of *de facto* demolition. The Coalition asked HUD to direct the NHA that if a tenant moves out, an applicant from the waiting list should be moved in. HUD has not acted despite the fact that the NHA's actions violate the law.

### **One-for-One is Under Attack**

There are proposals in Congress that would weaken one-for-one replacement.



**New townhouses covered by the federal court order.**

If these were adopted, HUD would have the power to waive the one-for-one requirement. The replacement units would not have to be public housing, and many such units would not be affordable by people with very low incomes. The Coalition has opposed these changes.

### Postscript

The fight for decent housing in Newark has been and will continue to be a difficult struggle. In order to achieve this goal, it is necessary for tenants to join together. This article demonstrates that it can be done.

By Harris David, Senior Attorney,  
Legal Services of New Jersey



NCLIH members on the train to Washington to challenge the U.S. Department of Housing and Urban Development (HUD) to enforce the law with respect to the public housing crisis in Newark. The Coalition also met with Congressional Representatives. Pictured in front row: Margaret Welch, attorney; second row: Vic DeLuca, NCLIH Chairperson, and Midge Ceaser, Stephen Crane tenant; third row: Anne Twitty, Stephen Crane tenant, and Joanne Fisher, Hayes Homes tenant; standing: Steve Finn, NCLIH Executive Director, and Harris David, attorney for NCLIH and author of this article.

Subscribe to *Looking Out For Your Legal Rights!* Just \$8.00 brings you one year—10 issues—filled with information about your legal rights in New Jersey.

- ☐ Yes, I want to subscribe to *Looking Out*. Enclosed is a check/money order for \$8.00.
- ☐ New Subscription
- ☐ Renewal (please attach mailing label)

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Make checks payable to  
Legal Services of New Jersey

Mail coupon and payment to:  
Legal Services of New Jersey  
P.O. Box 1357  
Edison, NJ 08818-1357